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I. 2011 ANNUAL REPORT

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9.1.1 WMDVBE ACTIVITIES

Description of internal and external WMDVBE program activities engaged in during previous calendar year.

Internal Activities

XO's WMDVBE program is managed by XO's Procurement Group, which is led by Robert Thomas, Procurement Director and supported by a Senior Procurement Manager, Commodity Managers, Buyers and Assistants. XO's Procurement Group will facilitate the efforts to implement and continually expand XO's WMDVBE program through internal and external communications, tracking and reporting results and training. The efforts of XO's Procurement Group will be supplemented by XO's Business Operating Units, Human Relations, Legal, Regulatory and various internal system support groups.

Some of the Procurement Group's efforts to help increase the awareness and knowledge of XO's WMDVBE program include the following:

- Establishment of WMDVBE source list to use for soliciting contracts;
- Presentation of information and training on the WMDVBE program;
- Establishment of goals for XO's WMDVBE program; and
- Review of current suppliers for participation in the WMDVBE program.

External Activities

In order to ensure the success of XO's Supplier Diversity Program, XO seeks new sources for materials, components, supplies and services from WMDVBE certified businesses that are able to provide quality products and services in a timely and competitive fashion.

In an effort to both utilize the services of more WMDVBE suppliers and to make more suppliers aware of California's WMDVBE program, XO began to identify and schedule discussions with supplier cooperatives made up of woman, minority and disabled veteran-owned businesses.

XO also encourages the use of WMDVBE suppliers and subcontractors by including a Small Minority Woman Owned Business Entity (SMWBE) Utilization clause in its Global Master Procurement Agreement.

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9.1.2 WMDVBE RESULTS

Summary of WMDVBE purchases and/or contracts with breakdowns by ethnicity, product and service categories compared with total utility contract dollars awarded to outside vendors.

- | | |
|--------------------------|---|
| ▪ 9.1.2 Ethnicity | Product and Service Procurement by Vendor Ethnicity |
| ▪ 9.1.2 Direct | Product and Service Procurement by Direct Contract |
| ▪ 9.1.2 Sub | Product and Service Procurement by Subcontractor |
| ▪ 9.1.2 Detail | Product and Service Procurement by Prod/Serv Category |

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9.1.2 WMDVBE ANNUAL RESULTS BY ETHNICITY

			Direct	Sub	Total \$	%
1	Minority Men	Asian-Pacific	REDACTED	0	REDACTED	REDACTED
2		Black	REDACTED	0	REDACTED	REDACTED
3		Hispanic	REDACTED	0	REDACTED	REDACTED
4		Native-American	REDACTED	0	REDACTED	REDACTED
5		Other	REDACTED	0	REDACTED	REDACTED
6		Total Minority Men	REDACTED	0	REDACTED	REDACTED
7	Minority Women	Asian-Pacific	REDACTED	0	REDACTED	REDACTED
8		Black	REDACTED	0	REDACTED	REDACTED
9		Hispanic	REDACTED	0	REDACTED	REDACTED
10		Native-American	REDACTED	0	REDACTED	REDACTED
11		Other	REDACTED	0	REDACTED	REDACTED
12		Total Minority Women	REDACTED	0	REDACTED	REDACTED
13	Total Minority Business Enterprise (MBE)		REDACTED	0	REDACTED	REDACTED
14	Women Business Enterprise (WBE)		REDACTED	0	REDACTED	REDACTED
15	Subtotal Women, Minority Business Enterprise (MWBE)		REDACTED	0	REDACTED	REDACTED
16	Service Disabled Veteran Business Enterprise (DVBE)		0	0	0	0
17	Total WMDVBE		REDACTED	0	REDACTED	REDACTED
18	Total Procurement		REDACTED			

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9.1.2 WMDVBE Procurement by Product & Service Categories – Direct Contract

				Products/Services	
				\$	%
1	Minority Men	Asian-Pacific	Direct	REDACTED	REDACTED
2		Black	Direct	REDACTED	REDACTED
3		Hispanic	Direct	REDACTED	REDACTED
4		Native-American	Direct	REDACTED	REDACTED
5		Other	Direct	REDACTED	REDACTED
6		Total Minority Men	Direct	REDACTED	REDACTED
7	Minority Women	Asian-Pacific	Direct	REDACTED	REDACTED
8		Black	Direct	REDACTED	REDACTED
9		Hispanic	Direct	REDACTED	REDACTED
10		Native-American	Direct	REDACTED	REDACTED
11		Other	Direct	REDACTED	REDACTED
12		Total Minority Women	Direct	REDACTED	REDACTED
13	Total Minority Business Enterprise (MBE)		Direct	REDACTED	REDACTED
14	Women Business Enterprise (WBE)		Direct	REDACTED	REDACTED
15	Subtotal Women, Minority Business Enterprise (WMBE)		Direct	REDACTED	REDACTED
16	Service Disabled Veteran Business Enterprise (DVBE)		Direct	REDACTED	REDACTED
17	Total WMDVBE		Direct	REDACTED	REDACTED
18	Total Procurement		REDACTED	ED	

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9.1.2. WMDVBE Procurement by Product & Service Categories –Sub-Contracting*

				Products/Services	
				\$	%
1	Minority Men	Asian-Pacific	Sub	REDACTED	REDACTED
2		Black	Sub	REDACTED	REDACTED
3		Hispanic	Sub	REDACTED	REDACTED
4		Native-American	Sub	REDACTED	REDACTED
5		Other	Sub	REDACTED	REDACTED
6		Total Minority Men	Sub	REDACTED	REDACTED
7	Minority Women	Asian-Pacific	Sub	REDACTED	REDACTED
8		Black	Sub	REDACTED	REDACTED
9		Hispanic	Sub	REDACTED	REDACTED
10		Native-American	Sub	REDACTED	REDACTED
11		Other	Sub	REDACTED	REDACTED
12		Total Minority Women	Sub	REDACTED	REDACTED
13	Total Minority Business Enterprise (MBE)		Sub	REDACTED	REDACTED
14	Women Business Enterprise (WBE)		Sub	REDACTED	REDACTED
15	Subtotal Women, Minority Business Enterprise (MWBE)		Sub	REDACTED	REDACTED
16	Service Disabled Veteran Business Enterprise (DVBE)		Sub	REDACTED	REDACTED
17	Total WMDVBE		Sub	REDACTED	REDACTED
18	Total Procurement		REDACTED		

* XO does not currently have a method for tracking sub-contractors.

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9.1.2. WMDVBE Product & Service Procurements – By Product/Service Category

			Asian-Pacific		Black		Hispanic		Native-American		Other		Total Minority		Minority Business Enterprise	Women Business Enterprise	Subtotal Women, Minority Business Enterprise	Service Disabled Veteran Business Enterprise	Total WMDVBE	Total
Line #	Products/ Services		Men	Wom	Men	Wom	Men	Wom	Men	Wom	Men	Wom	Men	Women	(MBE)	(WBE)	(WMBE)	(DVBE)		
1	Admin. Supplies & Equipment	\$	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2		%	0	0	0	0	0	0	0	0	0	0	0	0	0	0.	0	0	0	0
3	Business Office Infrastructure	\$		0	0	0	0	0	0	0	0	0		0		0	0	0	0	0
4		%	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
5	Freight	\$	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
6		%	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
7	Information Technology	\$	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
8		%	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
9	Marketing	\$	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
10		%	0	0	0	0	0	0	0	0	0	0	0	0	0	0		0	0	0
11	Network	\$	REDACTED	0	REDACTED	0	REDACTED	0	0	0	0	0	REDACTED	0	REDACTED	REDACTED	REDACTED	0	REDACTED	REDACTED
12		%																		
13	Professional Services	\$																		
14		%																		
15	Total	\$																		
16		%																		

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9.1.3 WMDVBE Program Expenses

The following summarizes 2011 expenses solely attributable to activities supporting California Public Utilities Commission General Order 156.

Line No.	Expense Category	2010 Expense*
1	Wages	\$0
2	Other Employee Expenses	\$0
3	Program Expenses	\$0
4	Reporting Expenses	\$0
5	Training	\$0
6	Consultants	\$0
7	Other	\$0
8	TOTAL	\$0

Wages: Salary and payroll related costs of employees working on WMDVBE issues.

Other Employee Expenses: Office space, travel and other non-wage costs.

Program Expenses: Printing, postage, suppliers and other costs directly related to the program.

Reporting Expenses: Computer, accounting, printing and other expenses in preparing reports for the CPUC.

Training: Costs associated with training employees (internal) and vendors (external).

Consultants: Costs of hiring consultants to assist with WMDVBE Program.

Other: Costs that do not apply to any category.

*While expenses were incurred in supporting GO 156, none of these expenses were solely attributable to these activities.

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9.1.4 Description of Progress in Meeting or Exceeding Set Goals*

Line #	Category	2011 Results	2011 Goals
1	Minority Men	REDACTED	N/A
2	Minority Women	REDACTED	N/A
3	Minority Business Enterprise (MBE)	REDACTED	N/A
4	Women Business Enterprise (WBE)	REDACTED	N/A
5	Subtotal Women, Minority Business Enterprise (WMBE)	REDACTED	N/A
6	Service Disabled Veteran Business Enterprise (DVBE)	REDACTED	N/A
7	Total WMDVE	REDACTED	N/A

*See Section 9.1.1 for explanation of Results and Goals

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9.1.5 A Summary of Prime Contractor Utilization of WMDVBE Subcontractors*

1		Minority Men	Minority Women	Minority Business Enterprise (MBE)	Women Business Enterprise (WBE)	Women, Minority Business Enterprise (WMBE)	Service Disabled Veteran Business Enterprise (DVBE)	Total WMDVBE
2	Direct \$	0	0	0	0	0	0	0
3	Sub \$	0	0	0	0	0	0	0
4	Total \$	0	0	0	0	0	0	0
5	Direct %	0	0	0	0	0	0	0
6	Sub %	0	0	0	0	0	0	0
7	Total %	0	0	0	0	0	0	0
8	Total Procurement	0	0	0	0	0	0	0

* XO does not currently have a method for tracking sub-contractors.

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9.1.6 List of 2010 WMDVBE Complaints

No WMDVBE complaints were received in 2011.

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9.1.7 N/A

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9.1.8 Supplier Recruitment in Low Utilization Categories

See Section 9.1.1.

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II. 2011 ANNUAL PLAN

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10.1.1 Short, Mid and Long Term Goals by Product and Service Category

			Short-Term (2012)						Mid-Term (2014)						Long-Term (2016)					
			Minority		Minority Business Enterprise	Women Business Enterprise	Women Minority Business Enterprise	Service Disabled Veteran	Minority		Minority Business Enterprise	Women Business Enterprise	Women Minority Business Enterprise	Service Disabled Veteran	Minority		Minority Business Enterprise	Women Business Enterprise	Women Minority Business Enterprise	Service Disabled Veteran
Line No.	Products/Services		Men	Women	(MBE)	(WBE)	(WMBE)	(SDV)	Men	Women	(MBE)	(WBE)	(WMBE)	(SDV)	Men	Women	(MBE)	(WBE)	(WMBE)	(SDV)
1	Admin. Supplies & Equipment	%	REDACTED	REDACTED	REDACTED	REDACTED	REDACTED	REDACTED	REDACTED	REDACTED	REDACTED	REDACTED	REDACTED	REDACTED	REDACTED	REDACTED	REDACTED	REDACTED	REDACTED	REDACTED
2	Business Office Infrastructure	%	REDACTED	REDACTED	REDACTED	REDACTED	REDACTED	REDACTED	REDACTED	REDACTED	REDACTED	REDACTED	REDACTED	REDACTED	REDACTED	REDACTED	REDACTED	REDACTED	REDACTED	REDACTED
3	Freight/Transportation	%	REDACTED	REDACTED	REDACTED	REDACTED	REDACTED	REDACTED	REDACTED	REDACTED	REDACTED	REDACTED	REDACTED	REDACTED	REDACTED	REDACTED	REDACTED	REDACTED	REDACTED	REDACTED
4	Information Technology	%	REDACTED	REDACTED	REDACTED	REDACTED	REDACTED	REDACTED	REDACTED	REDACTED	REDACTED	REDACTED	REDACTED	REDACTED	REDACTED	REDACTED	REDACTED	REDACTED	REDACTED	REDACTED
5	Marketing	%	REDACTED	REDACTED	REDACTED	REDACTED	REDACTED	REDACTED	REDACTED	REDACTED	REDACTED	REDACTED	REDACTED	REDACTED	REDACTED	REDACTED	REDACTED	REDACTED	REDACTED	REDACTED
6	Network Equipment & Infrastructure	%	REDACTED	REDACTED	REDACTED	REDACTED	REDACTED	REDACTED	REDACTED	REDACTED	REDACTED	REDACTED	REDACTED	REDACTED	REDACTED	REDACTED	REDACTED	REDACTED	REDACTED	REDACTED
7	Business & Professional Services	%	REDACTED	REDACTED	REDACTED	REDACTED	REDACTED	REDACTED	REDACTED	REDACTED	REDACTED	REDACTED	REDACTED	REDACTED	REDACTED	REDACTED	REDACTED	REDACTED	REDACTED	REDACTED
			REDACTED	REDACTED	REDACTED	REDACTED	REDACTED	REDACTED	REDACTED	REDACTED	REDACTED	REDACTED	REDACTED	REDACTED	REDACTED	REDACTED	REDACTED	REDACTED	REDACTED	REDACTED
8	TOTAL	%	REDACTED	REDACTED	REDACTED	REDACTED	REDACTED	REDACTED	REDACTED	REDACTED	REDACTED	REDACTED	REDACTED	REDACTED	REDACTED	REDACTED	REDACTED	REDACTED	REDACTED	REDACTED

*See section 9.1.1

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10.1.2 Description of WMDVBE Program for 2011

XO recognizes that the importance of the use of WMDVBE suppliers and the social and economic benefits that it brings. To that extent, XO's Procurement Group will make efforts to:

Internal Activities

- provide training and information on WMDVBE suppliers in Management meetings;
- review the WMDVBE database on the CPUC's website in order to identify potential WMDVBE suppliers for procurement opportunities;
- periodically track WMDVBE utilization to help ensure goals are met.

External Activities

- encourage existing suppliers to participate in the WMDVBE program;
- distribute information on the WMDVBE program to new and potential suppliers;
- attend WMDVBE-related trade fairs and conferences;
- participate in WMDVBE and community events and associations.

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10.1.3 Plans for Recruiting WMDVBE Suppliers for Product and Service Categories with
Historically Low Utilization
(Legal, Financial, Fuel, High Tech)

XO will focus on matching procurement opportunities in under-represented product and service categories with qualified suppliers identified in the Commission's WMDVBE database. XO also will analyze its procurement patterns in an effort to identify future procurement opportunities in under-represented categories.

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**10.1.4 Plans for Seeking and/or Recruiting WMDVBE Suppliers in Categories Where
WMDVBE Suppliers are Unavailable**

XO plans to distribute information on the WMDVBE program to all new and potential suppliers in an effort to increase the number and type of suppliers that participate in the WMDVBE program.

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10.1.5 Plans for Encouraging Both Prime Contractors and Grantees to
Engage WMDVBE's in Subcontracts in All Categories which Provide
Subcontracting Opportunities

XO often is not involved, nor aware, of the use of subcontractors by XO's prime contractors; however, XO will try to encourage its prime contractors to utilize the services of WMDVBE suppliers as opportunity allows. XO's Procurement Group also will try to identify and implement subcontracting opportunities for WMDVBE suppliers and bring such opportunities to the attention of XO's prime contractors.

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10.1.6 Plans for Complying with the WMDVBE Program Guidelines Established by the Commission as Required by PU Code §8283(c)

XO recognizes the social and economic benefits of a successful WMDVBE program. To that extent, XO will make efforts to comply with the Commission-established WMDVBE Program Guidelines and to meet or exceed the goals established above.

In order to help make the WMDVBE program successful, XO will encourage self-certified suppliers to register with the Commission's Clearinghouse as a WMDVBE program supplier. XO also will provide information to new and potential suppliers informing them of the Commission's WMDVBE program.

XO also will review its current procurement practices and to identify product and service categories where WMDVBE suppliers may have opportunity. In this regard, XO also hopes to be able to identify opportunities for WMDVBES in areas where they have been historically underrepresented or not represented, in an effort to expand the reach and number of WMDVBE participants.